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SUBJECT: ZIM NOTES 03-27-2009

[1](#)1. SUMMARY

Topics of the week:

- Parliament Getting its House in Order...
- Zimbabwean Teachers Consider Striking...
- Government Sponsors Stakeholders Meeting...
- Cholera Continues to Decline...
- Zimbabwe Hosts Tourism Conference...
- Court Update...
- Scandinavians Send Delegates to Zimbabwe...
- UZ Postponed Again!
- Banks Struggle to Pay US\$ Allowances...
- Kimberley Process Chair Gives Zimbabwe Kid-Glove Treatment...
- IMF's Recommendations...
- Biti's Revised Cash Budget...
- Fungibility of Shares Restored...
- Former Trade Minister Appointed Vice President of AfDB...

On the Political/Social Front

[1](#)2. Parliament Getting its House in Order... Parliament has recently constituted the important Standing Rules and Orders Committee and is in the process of establishing Portfolio Committees, setting up a Standing Committee on the Constitution, and making appointments to the Media, Anti-Corruption and Electoral Commissions. These new bodies will help enable Parliament to promote its legislative agenda and push reform, though any new legislation will likely originate from the executive branch. Parliament also resumed "question time," an important mechanism that allows MPs to ask policy questions of government ministers. See Harare 264.

[1](#)3. Zimbabwean Teachers Consider Striking... Faced with government's continued inability to pay teachers a living wage in foreign currency, Zimbabwe's teachers are growing restless and may

resort to a work stoppage if the situation does not improve in the next couple of months. Currently teachers are only receiving the US\$100 allowance paid to all civil servants. Many teachers are frustrated because they returned to their posts after having been promised more substantial forex salaries by Prime Minister Tsvangirai, but recent statements by Education Minister David Coltart have made clear government does not have the funds available. See Harare 246.

14. Government Sponsors Stakeholders Meeting... The GOZ sponsored a stakeholders meeting with government officials, donors, and civil society which was promoted as an opportunity to engage in dialogue. Prime Minister Morgan Tsvangirai keynoted the day-long meeting. A ministerial retreat is to take place next weekend.

15. Cholera Continues to Decline... The World Health Organization reports that, for the week ending March 14, there was a 45 percent decrease in suspected new cases of cholera and a 39 percent decrease in deaths compared to the prior week, despite a reemergence of cases in Harare and Chitungwiza. UNICEF reports that water supply chemicals in main urban areas are now secure. On March 20, a water and sanitation-focused World Bank team finalized a one-week assessment mission to allocate emergency funds, and will likely initiate a US\$10 million infrastructure repair project in Harare, with another US\$3 million to be utilized as a pilot in suburban or Qwith another US\$3 million to be utilized as a pilot in suburban or rural areas. As of March 24, the cholera outbreak has claimed 4,077 lives and affected more than 92,000 people.

16. Zimbabwe Hosts Tourism Conference... The Zimbabwean government
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hosted a two-day tourism conference in Harare on March 25 and 26 in an effort to revive the country's moribund tourism industry. Concurrently, Minister of Tourism and Hospitality, Walter Mzembi, announced that the GOZ would initiate an emergency tourism revival fund. On the heels of the well-attended conference, Japan announced that it would remove its travel advisory discouraging Japanese travel to Victoria Falls.

17. Court Update... The case of three elderly white Zimbabweans -- arrested in early January on charges of training MDC activists in terrorism and banditry -- was removed from remand this week by magistrate Gloria Takundwa. In addition, strict bail conditions for four of the seven accused of bombing police stations were relaxed; now they must report to police stations once per week rather than twice daily. The trial of eight Women of Zimbabwe Arise women and two lawyers, arrested in connection with a Valentine's Day march, failed to start on March 25. For the second time, police witnesses failed to appear for the trial. The magistrate delayed the trial again to April 29.

18. Scandinavians Send Delegates to Zimbabwe... Norway's Environment and International Development Minister, Erik Solheim, and Denmark's Minister for Development Cooperation, Ula Toernas, made separate trips to Zimbabwe to meet with President Robert Mugabe and other senior officials during the past two weeks. The purpose of their visits was to evaluate conditions in Zimbabwe as a potential pre-cursor to renewing ties and channelling assistance. Zimbabwean officials also pressed Denmark to lobby other EU members to lift sanctions. The state-controlled media gave significant coverage to the visits and portrayed them positively, though both representatives were critical of the continued detention of political prisoners and rash of recent farm invasions.

19. UZ Postponed Again! The University of Zimbabwe, scheduled to start its second semester of the 2008-09 academic year three months late next Monday, has postponed opening once again, this time to a date "to be advised in due course." All faculty and staff at the university are still only being paid monthly US\$100 allowances, so faculty and staff strikes would have been imminent had the university tried to open. The only exceptions are the Medical School and the few, small graduate programs.

¶10. Banks Struggle to Pay US\$ Allowances... The GOZ again this month topped up the worthless Zimbabwe dollar salaries of its employees with a US\$100 allowance. Problems and lines arose at primarily non-bank financial institutions, where most civil servants bank, as these institutions struggled to pay out the allowance. With the official Poverty Datum Line for a family of five set at a very generous US\$552 per month, even assuming cash distribution problems are solved, the meager allowance may lead to frustration. Problems are solved, the meager allowance may lead to frustration and impatience. See Harare 266.

¶11. Kimberley Process Chair Gives Zimbabwe Kid-Glove Treatment... KP Chair Bernard Esau of Namibia got a white-washed account from the GOZ of violence in the disputed Chiadzwa diamond field during his team's visit to Zimbabwe last week. He made conciliatory remarks about the need for SADC to support Zimbabwe in his parting address to a select group of stakeholders. See Harare 263.

¶12. IMF's Recommendations... In a statement at the conclusion of the IMF's Article IV mission, the mission chief welcomed the new government's commitment to ending off-budget spending and matching expenditure to revenue in 2009. He recommended greater accountability and transparency of the Reserve Bank and restricting

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it to core central bank activities. The mission chief also recommended strengthening the investment climate, ensuring property rights protection, and maintaining wages at competitive levels to increase investment. See <http://www.imf.org/external/np/sec/pr/2009/pr0993.htm>.

¶13. Biti's Revised Cash Budget... Despite the improvement in economic policy underlying Finance Minister Biti's revised budget, members of the recent IMF mission suggested that the government's revenue projection of US\$1 billion was high. We expect the IMF staff report to project a US\$200 million deficit. See Harare 260.

¶14. Fungibility of Shares Restored... Following several policy flip flops, the Reserve Bank of Zimbabwe (RBZ) restored offshore trading of dually-listed shares on March 17, 2009. For stock listings with full fungibility, investors can now buy shares from one stock exchange and transfer them to another exchange where the company is also listed. Partially fungible shares will continue to trade in one direction --from overseas to Zimbabwe-- although the RBZ may consider full fungibility for these shares in order to raise capital for expansion projects.

¶15. Former Trade Minister Appointed Vice President of AfDB... The Zimbabwe Independent reported today that former Minister of Industry and International Trade Nkosana Moyo has been appointed Vice President of the African Development Bank (AfDB). Meanwhile, an AfDB private sector specialist was in Harare this week looking at the possibility of channeling credit to the private sector, and a further AfDB team is on an extended three-month mission in Zimbabwe.

Quote of the Week

¶16. "Conditions, they're always setting conditions! It's their way of making us slaves. If Zimbabwe is to accept aid, it must be offered on a friendly basis. We will not bow to the donors." -- President Mugabe speaking at a joint press conference with the Norwegian development minister in Harare on March 25.